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CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE 1 February 1955

MEMORANDUM FOR:

Deputy Director (Intelligence)

SUBJECT:

Offshore Island Situation

## General

Military activity was relatively quiet in the islands yesterday, except for a small flare-up in the Tachens, where, according to the press, four Chinese Communist "warships" fired on Yushan Island, 35 miles northeast of the Tachens.

Chiang Kai-shek on 31 January halted preparations for the evacuation of the Tachen garrison despite urging by CINCPAC Admiral Stump that the evacuation be carried out, according to press reports. At the same time, Chiang demanded "iron-clad guarantees" for the defense of Matsu and Quemoy and other offshore islands.

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The Communists, noting both the delay in the Tachens withdrawal and the press accounts explaining it, are likely to step up their attacks against the Tachens and might move quickly against other Nationalist-held islands as well. Chiang's obstinacy on the Tachen evacuation also suggests that Nationalist leaders have made a decision to gamble on last-minute US intervention in the event of a Communist attack on the islands, rather than to permit a withdrawal to be interpreted as a renunciation of hopes for a return to the mainland.

## Tachens

Despite the current lull there are indications that the Chinese Communists are preparing for further military operations in the Tachen area.

PACOM Review Completed

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According to a MAAG report, an advanced command post of the Chinese Communist 60th Infantry Division moved on 22 January from Sungmen to Chinmen, opposite Pishan Island. This move was of a relatively short distance, but it would put troops in a better position to stage an attack on Pishan, 35 miles southwest of Tachens.

Early on 1 February four Chinese Communist warships "approached" Yushan Island and "tried to shell" the island but all rounds fell into the sea, according to the Taipei press. The Communist ships are said to have withdrawn under strong fire from the defenders.

Communist artillery on Ichiang Island fired on the Tachens again yesterday but the Nationalists said no damage was done. Construction work on newly-captured Ichiang continues.

During the Chinese Communist air attack on the Tachens on 31 January, 20 Nationalist troops were wounded and two killed. In addition, 16 civilians were killed and 23 wounded, and some warehouses were probably destroyed.

## Matsus

Negative.

## Quemoys

Negative.

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